

City of Fredericksburg, VA
Wednesday, October 2, 2019

Chapter 70. Taxation

ARTICLE IV. Real Estate Taxes

§ 70-98.1. Exemption for certain rehabilitated residential real estate effective for tax year beginning July 1, 2007.

[Ord. No. 07-36, 8-14-2007]

- A. Real estate that is located wholly within the Old and Historic Fredericksburg District, as defined in Chapter 78,^[1] or eligible for listing or listed on the National Register of Historic Places, and which has been substantially rehabilitated for residential use shall be exempt from taxation, subject to the conditions and restrictions set forth in this section. For purposes of this section, real estate shall be deemed to have been substantially rehabilitated when a structure which is no less than 40 years of age has been so improved as to increase the assessed value of the structure by no less than 20%, without increasing the total square footage of such structure by more than 15%. Multifamily residential units which have been substantially rehabilitated by replacement for multifamily use shall be eligible for the tax exemption provided by this section so long as such replacement structures do not exceed the total square footage of the replaced structures by more than 30%.

[1] *Editor's Note: See now Ch. 72, Unified Development Ordinance.*

- B. The tax exemption provided by this section shall be effective for any application received on or after July 1, 2007.
- C. The tax exemption provided by this section shall be in an amount equal to a declining percentage of the increase in assessed value resulting from the rehabilitation of the residential structure, as determined by the Commissioner of the Revenue. This amount shall only be applicable to any subsequent assessment or reassessment. The exemption shall commence on July 1 of the year following completion of the rehabilitation and shall run with the real estate for a period of seven years as follows:

Year	Percentage of Increase in Assessed Value
1	100%
2	100%
3	83%
4	66%
5	49%
6	32%
7	16%

- D. Nothing in this section shall be construed as to permit the Commissioner of the Revenue to list upon the land book any reduced value due to the exemption provided in this section.
- E. Any person seeking the tax exemption provided by this section shall file an application with the Commissioner of the Revenue prior to the commencement of rehabilitation. A fee of \$50 for processing an application requesting such exemption shall be collected by the Commissioner of the Revenue. No property shall be eligible for such exemption unless the appropriate building permits have been acquired and the Commissioner of the Revenue has verified that the rehabilitation indicated on the application has been completed.
- F. The Commissioner of the Revenue or her designee shall physically inspect and appraise the property at the time of the application for this exemption is submitted, prior to the commencement of rehabilitation, for the purpose of determining its fair market value at that time.